



# CONSUMER COUNCIL FOR WATER

## Minutes of the Board Meeting

### Public Session

Tuesday, 6<sup>th</sup> November 2007

The Manchester Conference Centre, Sackville Street, Manchester

<b>Present</b>	Chair	Dame Yve Buckland
	English Regional Committee Chairs	David Bland Charles Howeson Andrea Cook
	Wales Committee Chair	Diane McCrea
	Independent Member	Timothy Hornsby Mike Barnes Narendra Makanji
	Chief Executive	Tony Smith
	Secretary to the Board	Steven Harrison
	In attendance :	
	Head of Consumer Relations	Carl Pegg
	Acting Head of Policy	Jane Morris
	Head of Public Relations	Dave Thompson

**1. Apologies**

- 1.1 Apologies were received from Sir James Perowne and Janet Paraskeva.

**2. Declarations of Interest**

- 2.1 Charles Howeson declared his interest as a trustee of the estates of the 19<sup>th</sup> Duke of Somerset.

**3. Minutes of the public Board meeting held on 4<sup>th</sup> September 2007 and any matters arising**

- 3.1 The minutes of the public Board meeting held on 4<sup>th</sup> September 2007 were **approved** as an accurate record of the meeting.

- 3.2 There were no matters arising.

**4. Hearing from the water companies**

- 4.1 Colleagues from four water companies in the North of England joined the Board to consider what they saw as opportunities and challenges coming out of the PR09 process.

- 4.2 **Yorkshire Water** – Richard Ackroyd, Director of Regulation and Capital Investment

Opportunities:

- Set a longer-term context for the industry through Strategic Direction Statements.
- Implement a long-term maintenance strategy for infrastructure asset base to protect services to customers.
- Take account of the carbon impact of new obligations.

Challenges:

- Keeping customers' bills as low as possible, whilst meeting environmental obligations and other new requirements, for example taking over private sewers.
- Understanding the implications of a changing climate.
- Maintaining the attractiveness of the water industry to investors and delivering low-cost funding for capital investment programmes.

- 4.3 **Northumbrian Water** – Ian Donald, Customer Services Director

Opportunities:

- Regulators – joined up, transparent and honest approach – all parties.
- Customer communication – clear communication of issues, choices and final determination.
- Internal communication – clear communication of

deliverables, performance targets and levels of service.

Challenges:

- Investing in services whilst ensuring that bills remain affordable.
- Maintaining healthy and stable finances.
- Future proofing operations against climate change.
- Reducing carbon emissions and other greenhouse gases.

#### 4.4 **Hartlepool Water** – Kevin Ensell, Water Operations Manager

Opportunities:

- Long term planning in a long term industry.
- Separate K for Hartlepool Water.
- Engage and communicate with customers.

Challenges:

- Predicting the operating environment in 2035.
- Recovering the company's position from PR04.
- An increasing level of customer unpaid bills.

#### 4.5 **United Utilities** – Graham Simms, Director of Regulation

Opportunities:

- Smooth out the investment programme.
- A stable financial footing.
- Five year processes into a longer term context.

Challenges:

- Balance local/global environment issues.
- Customer research and its use – how it's done – what's done.
- To simplify the PR process.

4.6 After the presentations a general discussion took place between the Board and the water companies touching on cost of capital, price reductions/increases and carbon footprints.

4.7 The Chair thanked the water companies' representatives for participating in the meeting, commenting that it was of benefit for the Board to hear directly from the companies.

## 5. **Chief Executive's Report**

5.1 The Chief Executive commenting on his report to the Board highlighted several key points:

- Our role in the recent flooding in Gloucestershire.
- Competition in the water industry.
- Our work preparing for the Price Review 2009.
- Our announcements speaking up for water consumers.
- Progress with the new complaint handling system.
- Results of our stakeholder research.
- Progress with recruiting a new Head of Policy.

5.2 The Board **noted** the report.

## 6. Finance report

6.1 The Chief Executive gave commentary to the regular finance report providing a summary of current financial performance:

- Against the budget allocation to the end of September, 47% of the resources allocation had been consumed, with an underspend against profile of £83k (3%).
- All key variances were explained
- Finance will be holding quarterly budget review meetings in October with principal budget holders, looking at individual budgets and actioning budget queries
- A six month account will be prepared for internal review. This is following a recommendation from the external auditor, the NAO. The account will give an early indication of any issues.

6.2 The Board **noted** the report

## 7. Welsh Language Scheme

7.1 The Chair of the Wales Committee provided the Board with an update on CCWater's progress with implementing the Welsh Language Scheme. The report specifically looked at:

- delivery and services
- dealing with Welsh speaking public
- CCWater's public face
- implementing and monitoring the scheme
- the remaining tasks to be undertaken
- the cost to the organisation of the Welsh Language Scheme.

7.2 The Board **noted** the report.

**The meeting closed.**